

love, and other organizations around the country. It is very important. I hope we can move forward on this bipartisan piece of legislation.

The ACTING PRESIDENT pro tempore. Objection is heard.

Mr. REID. I thank the Chair.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period of morning business, with Senators permitted to speak therein for up to 10 minutes, with the time equally controlled between the two leaders, and Republicans controlling the first half of the time, and the majority controlling the second half of the time.

The Senator from Texas is recognized.

ORDER OF PROCEDURE

Mr. CORNYN. Mr. President, I ask unanimous consent to speak during our allocation of morning business for up to 20 minutes, with the Senator from New Hampshire, Senator GREGG, being reserved the last 10 minutes of that time.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

INFORMED CONSENT

Mr. CORNYN. Mr. President, before I talk about the topic that brings me to the floor, I express my gratitude to the majority leader, Senator REID, for bringing up the freedom of information reform bill that Senator LEAHY, the Senator from Vermont, and I have been working on for a number of years. When I was attorney general of Texas, it was my responsibility to enforce our open Government laws, and I became a big advocate of greater transparency, more openness in Government, because I believe that only a public that is truly informed can give their consent. It has to be informed consent. That is, after all, the very fundamental basis for the legitimacy of all of our laws.

When I came to the Senate, I was pleased to see that Senator LEAHY, chairman of the Senate Judiciary Committee, had been very active in this area. We joined efforts in a bipartisan way to work on these reforms. I know Senator KYL has some concerns. He expressed those this morning. He has been good about working with us to try to work our way through that. I share his hope and aspiration that we can work through the differences and perhaps complete our work on those Freedom of Information Act reforms this week before we break for August. I

think that would be a very positive development and one that is certainly worthy of the Senate.

QUALITY HEALTH CARE

Mr. CORNYN. Mr. President, I want to turn to the topic that will engage us for perhaps most of the remainder of the week, and that is ensuring that quality health care is available to the next generation. This is, and should be, a top public policy priority for the Congress. Certainly, it is one of mine.

I think there will be a lot of attention paid to the reauthorization of the State Children's Health Insurance Program that will be on the floor shortly. It is noteworthy that SCHIP, so called, was created by Congress in 1997 to fill a gap in our health insurance system. It was targeted at working poor families who had too much income to qualify for Medicaid but could not afford regular health insurance. This program has been enormously successful nationwide, lowering the uninsured rate by nearly 25 percent, and especially in my State of Texas, where we have about 25 percent of our total population currently uninsured. So this has gone a long way to make sure people got access to quality health care. Interacting with Medicaid, insurance coverage has been extended under this program to more than 1 million Texas children who would have otherwise not been covered. So SCHIP deserves reauthorization and renewal.

Unfortunately, the Senate Finance bill that will come to the floor seems to take us on a path toward a major step that failed in 1994, and that is a federally funded takeover of national health care. The Senate Finance Committee is proposing a near quadrupling—that is four times—of SCHIP funding that would increase taxes, weaken private insurance coverage, and create a new de facto entitlement program for middle-class families, all courtesy of the beleaguered American taxpayer. A close analysis demonstrates that, if enacted, the Senate bill would actually have the unintended impact of degrading health care for many children and will not be as nearly beneficial to Texas as a more modest alternative, which I intend to support.

The original SCHIP program—again, it is worth spelling out the acronym—State Children's Health Insurance Program—was limited to those families at up to 200 percent of the official poverty level or \$40,000 for a family of four. But some States have found a way to expand coverage from first children, then to parents, then to childless adults, and then to families with much higher incomes. Some States, such as New Jersey, now use SCHIP funds to cover families with income of up to 400 percent of the poverty level—up to \$82,600 a year for a four-person family. So that is what I mean when I say that SCHIP is now being transmogrified, transformed into a middle-class entitlement, if this finance bill were to pass.

Minnesota, instead of using the State Children's Health Insurance Program to target relatively low-income children, as Congress intended, spends 61 percent of SCHIP funding on adults; and Wisconsin spends 75 percent of their SCHIP funding on adults. If this were the U.S. military, we would call this "mission creep." The Senate bill would encourage these distortions further. Nearly a third of the newly covered, some 2 million children, already have private insurance.

So let me be clear. What this bill, if enacted, would do would take some people who currently have private insurance and substitute taxpayer-paid-for insurance under this program because, of course, why would anybody pay for something that the Government starts giving away for free? They will drop their private insurance and many of the parents will decide to drop theirs as well, transferring these expenses to the American taxpayer.

But many SCHIP programs pay physicians at Medicaid rates; that is, the reimbursement for physicians—a reimbursement rate that is so low that many doctors simply cannot afford to take patients based on those Medicaid rates and, thus, they are refusing new patients. Ironically, the switch to Government-paid SCHIP could mean reduced health care for those recipients who decide to give up private insurance to get free insurance. But where reimbursement is at the Medicaid rate, where there are so few doctors who can afford to treat patients at those rates, children will end up with actually less care in some instances and not more.

Many supporters are happy because funding for this expanded program will be paid by tobacco users, through a 61-cent per pack cigarette tax increase. But the accounting is fundamentally flawed. To make it balance, the Senate bill pretends spending on this accelerating program will go from \$8.4 billion in 2012 to only \$400 million in 2013.

As our Republican leader notes, "Does anyone seriously think Congress will decide to cut SCHIP by \$8 billion in one year, so that millions who rely on it will lose their health insurance?" Of course not. This is phony accounting. No business in America could run its operations this way, and the Federal Government should not try.

Supporters of the finance bill claim a badge of fiscal responsibility because this bill only uses \$35 billion of the \$50 billion budget authority it was given during this year's budget reconciliation. But the finance bill gets that additional \$15 billion in budget authority by setting aside billions of dollars for a so-called incentive fund. The SCHIP program was designed as one huge incentive already for the States. The creation of this program says to the States: Go cover children; Congress will give you more money for doing that than we will for covering anyone else.

So why are we creating an incentive on top of another incentive? And these

incentive payments, of course, will be used to go beyond covering children, which is, of course, Congress's original stated intent.

This goes from what I would call mission creep to another incremental step toward a federally controlled, Washington-dictated health care system, paid for by huge tax increases on the American taxpayer. Perhaps the answer is that this fund exists to provide expanded coverage for nontargeted populations; that is, populations Congress did not intend—adults, for example. After all, States, under the Finance Committee bill that is coming to the floor, will have relative freedom to use these funds as they see fit. Where, I ask, is the accountability? Where is the responsibility?

The finance bill also puts aside at least \$2 billion in a so-called contingency fund. First an incentive fund, then a contingency fund—both slush funds. But this contingency fund will only be drawn down by \$400 million total over 5 years. This represents less than 1 percent of overall spending. I think this blatantly shows the level at which this bill is overfunded. So while the bill is only claiming to spend part of the budgetary authority it is given, it is still creating two budgetary slush funds. I think it is there for another purpose. I think this is another attempt, as I said, to incrementally federalize health care.

There will be some of us who will join together, with our leader and Senator LOTT, Senator KYL, and others, to offer a scaled-down alternative called Kids First, which refocuses SCHIP on its intended purpose. It concentrates on outreach—locating and enrolling eligible children. Some 75 percent of uninsured children already qualify for either Medicaid or SCHIP. Kids First aims to sign them up. It also subsidizes eligible families to keep their private coverage and doesn't provide an incentive for them to drop their private coverage to get free coverage courtesy of the American taxpayer.

The Senate bill increases spending by \$35 billion over 5 years—I should say so far because I know there are amendments that will be offered, and I think I have read Senator KERRY and others will offer amendments to bump that figure to \$50 billion, and we have seen even larger figures suggested on the House side. So no telling what a conference committee will ultimately come back with. But Kids First, the alternative which will be offered by this side of the aisle, will cost only \$10 billion more than the current SCHIP program.

Ironically, under Kids First, the children in my State, Texas, would come out far ahead over the Senate Finance Committee version. SCHIP, as we know, is a joint Federal-State effort involving matching Federal funds. After cutbacks for budget reasons a few years ago, Texas is now ramping up its SCHIP program, enrolling additional eligible children. However, the Senate

Finance Committee bill would confiscate about \$660 million that Texas has so far left unspent from prior years because we have been responsible, because we haven't used the money that was designated for children to cover adults, as 14 other States have. Under Kids First, we would keep access to all unspent funds for 2 more years so we can locate and recruit and sign up more children—the designated target for this Children's Health Insurance Program.

But here is the bottom line: Texas would have \$1.6 billion in SCHIP Federal matching funds available next year under Kids First and only \$1.06 billion under the Senate bill. In other words, we would be better off under the alternative rather than the Senate Finance Committee bill, and so would the children, who would be the beneficiaries of those funds. Additionally, any matching funds left unspent after that would go back to the U.S. Treasury, and that would not be used to subsidize other States that game the system and distort the program beyond Congress's original intent.

One alternative provides the prospect of better health care for Texas children, plus lower taxes, a fiscally responsible government, and more money and more control for my State. For this and other reasons I have stated, I will vote for the Kids First Act, the alternative we will offer, and not the Senate Finance Committee bill.

Mr. President, I yield the floor and reserve the remainder of our time for the Senator from New Hampshire.

Mr. GREGG. Mr. President, how much time remains?

The ACTING PRESIDENT pro tempore. Sixteen minutes and twenty seconds.

Mr. GREGG. Mr. President, I wanted to rise to carry on the discussion which the Senator from Texas has so eloquently begun relative to the proposal that is coming forward to the Senate today called SCHIP. Under the cloak of trying to address the issue of health care for children, we are seeing an explosion in cost, the purpose of which is not necessarily to cover children who need coverage because many of the children who are going to be covered here are already covered under private plans, but the purpose is actually to dramatically expand the role of government in the area of limited health care in this country, and it is openly acknowledged as being an effort to move down the road toward universal health care.

Independent of the substantive policy of how we approach insuring and making sure children get health insurance in this country, there is the ancillary policy of fiscal discipline. This Congress, so far, under its Democratic leadership has abandoned the concept of fiscal discipline. They are spending money on all sorts of initiatives around here that go well beyond even the extraordinarily high numbers which were put in the budget under

this Democratic Congress. We have returned, without question, to the days of tax and spend. In fact, it was interesting today that there was an article in the Wall Street Journal, an editorial that listed I think it was ten different areas where there have been proposals to dramatically increase the tax burden on the American people, to gather up funds by the Democratic Party so they can then be spent on other initiatives.

This proposal, this SCHIP proposal as it comes forward to us under the auspices of the liberal leadership of the Senate, is a classic example of spending which can't be afforded and spending which uses gimmicks in order to mask its real costs.

This chart reflects the fact that the spending in this proposal jumps \$35 billion—\$35 billion—over a 5-year period, taking a program that could be fully funded today for about a third of that but adding an additional two-thirds on top of that in order to take care of initiatives which basically fund two things: No. 1, they fund adults under a children's health insurance program, and No. 2, they fund bringing children off of private insurance and putting them on the public insurance system so that taxpayers generally have to pay for something which is now being paid for in the private sector.

So the cost of this program jumps radically over the next 5 years, and then, in the ultimate act of fiscal cynicism and fraud, they claim the program will drop back down to being a \$3.5 billion program after it has reached a peak of \$16 billion in 2012. Are they going to abolish the program in 2013? Of course not. But in order to avoid their own rules of how you have to pay for things around here or are supposed to pay for things around here when you put a new program on the books, in an act, as I said, of fraud and cynicism, the liberal leadership of this Senate has decided to claim that this program, which we will be spending \$16 billion on in 2012, we will suddenly only spend \$3.5 billion in 2013. Ironically, that number, \$3.5 billion, is even less than what the program costs today, which is about \$5 billion.

So this whole area in here, this white area, is totally unfunded, unless you assume this program now being put on the books is going to suddenly end 5 years from now—which is, of course, absurd. We don't end programs in the Federal Government. We certainly don't end a program that is focused on trying to fund health care for children. So what happens is that \$40 billion over the next 5 years which will be spent on this program, no doubt about it—in fact, a lot more than that if the House bill passes—is treated as if it is a virtual number, as if it doesn't exist, as if it is some sort of nonspending event by an accounting mechanism which claims that actually we are not going to spend that \$40 billion, we are just going to spend this \$3.5 billion on that program on an annual basis.

The disingenuousness of this reaches a new level of misrepresentation to the American taxpayer as to what the burden is that is going to be put on them as a result of this proposal. Now, why do they do this? Why do they deny there is \$40 billion of spending, which they know is going to occur, which my colleagues on the other side of the aisle absolutely know is going to occur? Why do they deny it is going to happen? Why do they use this gimmick where they claim we are going back to a cost of a program which is less than it is today after we put a cost on the books that is three times what it is today? Because they want to avoid something called pay-go—pay-go—which is their representation of how they discipline the Federal budget.

Every time you listen to a colleague from the other side of the aisle talk about disciplining the Federal budget, you will hear those words: I am for pay-go; I am for pay-go. We hear it from the budget chairman incessantly. We hear it from other members of the other side of the aisle. Pay-go is the way we will discipline the Federal budget.

Well, let's see what they have done to pay-go since they have been in charge of the Congress. There is no more pay-go. It should be fraud-go. It is actually Swiss cheese-go since this Congress has been dominated by the Democratic Party.

I will bet you that everybody who ran for election from the Democratic side of the aisle to this Congress said they were going to discipline the Federal deficit using pay-go. Since they have been in office, since they have been running this Congress, they have either waived or gotten around pay-go on about 12 different occasions, representing billions of dollars of cost to the American taxpayer, of which this \$40 billion item we are doing today is one of the biggest. With minimum wage, they went around pay-go; with the Water Resources Development Act, they went around pay-go; with PDUFA, they went around pay-go; with immigration reform, they went around pay-go; with the Energy bill, they went around pay-go; with the MILC bill, they went around pay-go; with the county payments or payments in lieu of taxes, at \$4 billion, they went around pay-go; with the new mandatory Pell grants, \$6 billion, they went around pay-go; and now here, with SCHIP, they are going around pay-go to the tune of \$40 billion. Almost \$90 billion has been proposed to be spent by the other side of the aisle since they took control of this Congress which should have been subject to pay-go but where they have either waived, ignored, or gimmicked pay-go out of existence. So where is the fiscal discipline? It doesn't exist. It doesn't exist.

The only thing they intend to use pay-go for is to force taxes to go up on American workers. They will use it for that, there is no question about that.

When we get to the point where some of these tax issues are raised by expiring, they will say pay-go applies to that and we have to pay for that, so taxes will go up on the American workers and on the American economy. But when it comes to spending money, there is no discipline of pay-go from the other side of the aisle.

Anyone who stands on the other side of the aisle and claims that pay-go is a viable vehicle for disciplining the Federal deficit, well, the next thing they are going to tell you is they have a bridge to sell you in Brooklyn or that the check is in the mail.

The simple fact is, it is a fraud on the American taxpayer when that statement is made. This bill pretty much completes the thought that there is no more pay-go.

Then, on top of that—they are not comfortable enough in this bill to spend \$40 billion and claim they are not spending it, which is exactly what they do in the second 5 years—that is not enough for the other side of the aisle. In the House, they put in language repealing one of the most important enforcement mechanisms to discipline the cost of Medicare, which is, if for 2 years the payment for the cost of Medicare from the general fund exceeds 45 percent of the overall cost of Medicare—as we all know Medicare is supposed to be an insurance program that is paid for by the HI insurance, but it also gets support by the general fund—if that cost exceeds 45 percent for 2 years in a row, then we, as a Congress, are supposed to take another look and say that is not the way Medicare is supposed to be funded. It is supposed to be funded through the HI insurance. We go back to look at disciplining Medicare spending and making it more affordable.

No. Not any longer. The House of Representatives not only spends \$40 billion they claim they are not spending and don't pay for, they also, in their bill, repeal the 45-percent rule, one of the few disciplines around here which allows this body to stand up and say we are profligate. Let's get this under control.

I think the American consumer needs to know that they get what they pay for. In the last election they got a Congress which has a philosophical viewpoint which has not changed a whole lot in the last 50 years. I was here the last time Congress was dominated by the Democratic Party. I was here when Tip O'Neil ran the House of Representatives. Wow, did we spend money back then. Let me tell you, we are back to that style of governance. Only this time it is being done with the representation that there is discipline because we are using pay-go. Unfortunately, however, pay-go doesn't exist when it comes to spending. It is "fraud-go," it is "Swiss cheese-go," and the American people get stuck with the bill.

Our children and our children's children get stuck with the bill because, in order to address certain political con-

stituencies, the other side of the aisle believes it needs to spend the money, and it does not have the courage to stand up for its own rules, the rules they put forward.

I have always said pay-go was a fraud, but the other side of the aisle marches behind that banner in budget after budget, claiming that pay-go gives us fiscal discipline. Here is \$90 billion of spending in just 6 months. They have only been in charge for 6 months—\$90 billion. That is a lot of money in 6 months that should have been subject to pay-go, which has been gamed, ignored, or claimed an emergency so that pay-go would not apply.

As a practical matter, let's have no more talk of pay-go in this body. Let's talk about what we are really doing on this SCHIP bill. We are going to spend \$40 billion, and we do not pay for it. That is just in the next 5 years. If you extrapolated this, it actually works out to be somewhere in the \$2 trillion to \$3 trillion range over the life expectancy of the program, the 75-year life expectancy, which is the way we calculate things around here that deal with entitlements.

This is not fiscally responsible, and it is clear, if we continue down this path, we are going to set up a train wreck for those who come after us and have to pay the costs of this type of profligate spending which has no discipline attached to it.

I yield the floor and suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DURBIN. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. DURBIN. Mr. President, how much time is remaining on the Republican side?

The ACTING PRESIDENT pro tempore. About 1 minute.

Mr. DURBIN. I ask unanimous consent to preserve that minute, and if one of the Republican Senators wishes, they be given that time.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DURBIN. I speak now in the 30 minutes I understand is reserved for the majority in morning business.

GENOCIDE

Mr. DURBIN. Mr. President, today is a day which can be historic. Important items will be discussed on the floor of the Senate, including health insurance for literally millions of American kids. At the same time, there is a debate that has been started in New York at the United Nations Security Council. It is a debate about a genocide.